
FINDINGS AND RECOMMENDATIONS

Finding 1: Controls Over Overtime Hours Worked and Overtime Compensation

SYNOPSIS

Our audit tests confirmed that overtime payments were supported and properly calculated and that MPD had established, for the most part, adequate controls over the management and monitoring of non-court overtime. However, we cannot assure management that the amount of court-related overtime incurred was always necessary. MPD's ability to monitor and manage, and thus minimize, court-related overtime has been weakened by inadequate oversight exemplified by the removal of CLD staff from the courthouse. These circumstances have constrained MPD's ability to monitor the numerous officers that come in and out of court each day. Without independent oversight by CLD staff on site, the decisions on the necessity for court overtime are overly dependent upon the integrity of each member. As a result, costs associated with court-related overtime may be higher than necessary.

Our review also revealed that the TACIS did not have necessary edits and reporting mechanisms that could "flag" when an employee's compensatory bank is approaching FLSA limits and whether FLSA limits had been exceeded by employees. Currently, MPD manually monitors and verifies FLSA hours. MPD has not upgraded TACIS because of limited funding or the need to fund other priorities. The inability to effectively monitor compensatory overtime limits can result in lawsuits. Past experience has shown that the District has paid negotiated settlements of more than \$1.5 million to MPD members that stemmed from alleged violations of the FLSA in which MPD awarded compensatory time in lieu of paid overtime. In court cases, MPD police members accumulated more than the 480 hours and were not timely paid for their accumulations in excess of the 480 hours allowed by the FLSA. Additionally, the current manual method used for monitoring FLSA limits is prone to errors.

DISCUSSION

We conducted our review in three phases. The first phase was the identification and review of policies, procedures, and T&A records. The second phase consisted of interviews to document the process of recording and monitoring overtime. The third phase consisted of a review of MPD's TACIS system to determine what automated controls existed to monitor overtime.

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Phase I – Identification; Review; and Testing of Time and Attendance Policies, Procedures, and Records

Our audit found that MPD policies and procedures, as they relate to the earning, reporting, and payment of overtime, were dated, some as far back as 1978. However, these policies and procedures were generally consistent with FLSA requirements and District policy.

Time and Attendance Process

We interviewed time and attendance personnel from the 2nd, 5th, and 7th Police Districts to review the process for recording overtime. We inquired about the time keeping and reporting function to determine whether core processes were consistent throughout the MPD. We also interviewed personnel at the USAO to gain a general understanding of the process used to request a meeting, issue a notification for court appearance, and monitor time spent by an officer at the USAO.

MPD's General Order 206.1 "Time and Attendance" outlines the responsibilities and procedures for timekeepers. These timekeepers were responsible for ensuring hours were approved and documented before processing. We flow-charted the process and determined that departmental forms and approval levels were consistent throughout MPD. Additionally, we determined that controls over the time and attendance function were sufficient and duties were properly segregated.

When receiving compensatory or overtime hours, members are required to complete one of two forms titled *Time and Attendance Report* (PD Form 1130) and/or the *Court Appearance Worksheet* (PD Form 140). The authorizing official is required to verify and approve all hours worked. The timekeepers then enter the information from these documents into TACIS. The TACIS accumulates all hours as entered by the timekeepers in each district.

Overtime Authorization

As part of the T&A records review process, we also evaluated procedures MPD used for authorizing overtime. In order to ensure that a need exists, or to measure the related cost-benefit of overtime costs incurred, overtime must be well documented and approved in advance. However, at MPD, non-court overtime is often times voluntary. What this means is that officers can elect to work overtime for special projects or events. Court-related overtime, however, is mandatory. Officers who work evening or night shifts often are required to meet with attorneys and prosecutors, or appear in court for criminal proceedings related to cases for which they have worked.

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Non-Court Overtime (Special Project or Event Overtime)

Supervisors identify overtime needs at MPD and then send their requests for overtime authorization codes to MPD's CFO where available funding is identified. The Chief of Police then provides blanket approval for a block of hours that can be used for a particular project/category of overtime. Overtime is authorized in an allotment of hours based on estimates of the necessary time needed to perform an assignment. Once approval is granted, a charge code is established in TACIS and a sign-up sheet is posted at Police District offices. Persons interested in working overtime are permitted to sign up by merely adding their names to the posted sign-up sheet. Members then charge the assigned project/category code worked once they perform the overtime.

For example, funding for an overtime project/category, such as "Weed & Seed," is authorized through a grant.⁵ MPD might estimate that 20 officers will need approximately 2 months to complete the work. An estimation of the needed hours and related costs are then calculated. In this illustration, that calculation would be 40 hours times 8 weeks (320 hours), which is then multiplied by 20 officers (6,400 hours). The hours are then multiplied by a weighted average of an officer's salary times 150 percent (approximately \$32/hour). The cost of the program would be \$204,800 (\$32 X 6,400 hours). In some instances, a grant or a specific amount is appropriated for an approved overtime related activity. In those instances, the grant or appropriation amount is divided by the estimated hourly rate to arrive at the available hours that can be attributed to the project.

Members then charge and accumulate their overtime against the established overtime project/category until the hours are depleted. If the work is not complete, the supervisor will submit a second request for authorization of overtime and additional funding to be identified. Once funding is identified, and additional overtime hours are authorized, the related project code will be extended to allow for additional overtime hours to be charged.

We noted that executive-level officials had reported overtime in increments of one hour or a fraction thereof. However, no payment was made for these hours, and the hours were merely accumulated and coded as "xtra." We did find that an executive level official did earn overtime in blocks of four or more hours for special events such as the IMF

⁵ Operation Weed and Seed is foremost a strategy--rather than a grant program-- which aims to prevent, control, and reduce violent crime, drug abuse, and gang activity in targeted high-crime neighborhoods across the country. Weed and Seed sites range in size from several neighborhood blocks to 15 square miles. The strategy involves a two-pronged approach: law enforcement agencies and prosecutors cooperate in "weeding out" criminals who participate in violent crime and drug abuse, attempting to prevent their return to the targeted area; and "seeding" brings human services to the area, encompassing prevention, intervention, treatment, and neighborhood revitalization. A community-orientated policing component bridges weeding and seeding strategies. Officers obtain helpful information from area residents for weeding efforts while they aid residents in obtaining information about community revitalization and seeding resources.

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meetings or the presidential inauguration. To ensure proper authorization was obtained for these hours, T&A records were reviewed for the period January 1999 to March 2001. The results of the test work concluded that overtime requests were correctly completed and approved by the next level official.

Court-Related Overtime

A significant portion of MPD's overtime expenditures is based on court appearances. Court-related overtime expenditures are largely beyond the control of MPD management. Police officers must appear in court. Arrests cannot be processed, cases investigated, or prosecutions brought without police testimony. Court appearances are therefore a regular police function. It is also expected that officers often will not be able to appear during their regular tour of duty. Officers working the "night-shift" will appear in court only when off duty. Officers who appear in court off duty are paid at an overtime rate. The challenge for MPD management and the U.S. Attorney is to ensure that officers appear in court only the minimum number of hours necessary to prosecute cases effectively.

Officers appear in court because of a Computer Automated Notification System (CANS) notice, which a prosecutor issues. CLD processes a CANS notice, which arranges for the officer to be served with notice in his or her unit. Prosecutors initiate CANS notices not only for actual court appearances (e.g., trial, hearings) but also in instances when an officer needs to appear at the USAO. For example, if a prosecutor must meet with an officer for trial preparation, the prosecutor will issue a CANS notice for a "witness conference." Similarly, officers may be summoned to the grand jury via a CANS notice while a case is under investigation.

When an officer appears pursuant to the CANS notice, he/she must "check-in" with the CLD. The officer is given a PD Form 140 on which is noted the case(s) for which the officer checked-in. The officer must have the prosecutor sign the PD Form 140 to account for time spent "checked-in" to court. At the end of the court appearance, the officer must "check-out" with the CLD with a completed PD Form 140. That form, with the prosecutor's initials, is the authorization for the officer to be paid overtime.

Our review of CANS notices found that they were initialed as required, however, the amount of time identified as meeting was blocked for the entire day, rather than being approved in half-hour increments as the form allows. We were informed by officers that often they were sent to obtain additional information, or return to complete a witness conference later in the morning or later that day.

Another problem area with the process, which was identified in prior reports that focused on overtime issues at MPD, was the practice of issuing "blanket CANS" notices. USAO representatives informed us that prosecutors have become frustrated with their

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inability to ensure that officers would appear for court when needed. As a result, prosecutors issued CANS notices for a greater number of officers than needed in order to ensure that a minimum of officers actually appeared. In some instances, MPD officers and supervisors told us, prosecutors had issued CANS notices to entire squads of officers, regardless of their actual role in the case.

Both the USAO and CLD have long been aware of these concerns and have taken steps to address court overtime issues. For example, when a case is initially processed, authorization for subsequent CANS notices is now limited to a maximum of nine officers on that case. To address an officer's failure to appear in court, MPD implemented a strict disciplinary policy that results in automatic imposition of an adverse action (i.e., suspension, fine, or termination) for a second unexcused absence or tardiness within a 12-month period.

Detail Testing of Time and Attendance Records

In order to conduct the detailed test work, we obtained time and attendance records⁶ for a sample of the top overtime earners. Ten FLSA pay cycles, i.e., 20 pay periods were randomly selected to determine whether overtime and/or compensatory time were adequately supported.

Our test work consisted of tracing overtime and compensatory hours listed on TACIS printouts with information recorded on Forms PD 140 and 1130. We reviewed T&A documents for 45 members for the 20 pay periods. In each pay period, a member could earn compensatory and/or overtime 14 times. All members reported overtime in each of the pay periods reviewed. We found that substantially all documents were on file and approved by proper officials except in 49 instances.

Additionally, we met with the MPD payroll manager to determine how overtime was calculated. We tested five payments made to persons in our sample and found overtime was calculated based on FLSA guidelines.

Review of Case Files

Overtime is recorded on PD Form 1130 or on the officer's court attendance notification report. The investigation number is identified on PD Form 1130. In an attempt to identify the level of support for recorded overtime and determine a nexus between working overtime and completing work; i.e., return on investment, we inquired as to the controls established at the supervisory level or officer level to document overtime in addition to recording it on PD Form 1130.

⁶ *Court Appearance Worksheet* (PD Form 140), *Time and Attendance Report* (PD Form 1130), and TACIS data extracts.

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As discussed earlier, overtime is required to be recorded on the PD Forms 1130 or 140. However, MPD does not have a requirement for tracking or documenting overtime hours in the case files. An investigative case jacket is divided into six sections. Each section contains various elements of the investigation, i.e., the running resume, supervisory reviews, interviews, etc. Our interviews with officers and supervisors revealed members only record overtime on PD Form 1130, the primary document used to track and record overtime and compensatory time.

We were also informed that in lieu of tracking hours in case files, hours (activity) were documented via monthly administrative reports and may also be included on a pocket memo pad kept by officers to record notes pertaining to cases worked. However, MPD officials stated that these items would not be a good source to identify or document overtime or related work performed while in overtime status.

From our original sample of the 20 pay periods reviewed, we judgmentally selected 10 different dates in which overtime was claimed and charged to a specific homicide case. We identified the officer and related case number. Next, in the presence of the MPD supervisor for the cases selected, we asked to review any documentation available to support the overtime earned. The following is a summary of the results of our tests in this area.

Number of Instances	CASE FILE REVIEW RESULTS
1	Record of work completed on the date in question was identified, however, we could not determine whether the work was completed during the officer's normal tour of duty or while in overtime status
2	No documentation that the officer who reported overtime was assigned to the case
2	Case jackets could not be located
1	Homicide case did not require a case jacket to be established
4	No documentation to support what work was performed in overtime status, however, officer was assigned to the case in question
Total 10	

The supervisor in charge of reviewing the case files stated that MPD policy does not require an officer to document overtime hours or specifically identify work performed while in overtime status in the case files. He added that he does review case files to monitor the progress of the investigation and to ensure that the officer is completing assignments.

When analyzing the cost-effectiveness of overtime, it is critical to distinguish work performed on paid overtime from work done on unpaid, i.e., compensatory overtime. Work

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done on paid overtime generally increases policing activity, even though paid at time and a half. The cost is borne as an addition to the police budget. Compensatory time, on the other hand, represents less policing because every hour worked must be repaid by the police department at time and a half. Compensatory time comes out of existing capacity. Therefore, managers need to be able to determine whether the work performed on compensatory time is more important than work being performed through the compensatory time payback. The implication for recordkeeping is that not only must MPD keep records on paid time but also information on their respective uses, including the nature of the work forfeited to pay compensatory time. These are called opportunity costs – the cost of taking one action at the expense of another.

Phase II - Interviews

Sworn Officers

We conducted interviews with MPD sworn members to gain an understanding of the overtime process and determine whether overtime policies and procedures were consistently communicated and applied. Further, we wanted to determine whether overtime and compensatory hours were required to be documented in the case file and whether there was any bias in the system. Twenty members, including officers, detectives, and lieutenants, were selected. However, due to scheduling constraints and MPD retirements, only 14 interviews were conducted. The results of our interviews showed that MPD members were knowledgeable of overtime policies and procedures and were equally afforded the opportunity to earn overtime.

Additionally, we determined that the majority of members who earned significant amounts of court overtime were detectives assigned to violent crime units. Furthermore, because these members were assigned to the night shift tour of duty, they attended court during the day. Therefore, an arrest made during the night shift required the member to appear in court the day following the arrest. Members earn compensatory time for the initial court appearance and overtime for subsequent appearances. Accordingly, one arrest could require several court appearances and thus significant overtime costs.

Members that earned nominal or no court overtime did so because they had vastly different work assignments such as police vehicle maintenance or reviewing investigative reports. Ultimately, these individuals that were interviewed worked day shift and when required, would attend court during the normal tour of duty. Any overtime earned by these members was voluntary.

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CFO

Budget Process

In past years, overtime expenditures have exceeded initial budget estimates by millions of dollars. We determined that initial budget allocations for police overtime bear no relation to the actual experience of MPD. Further, MPD has historically relied on lapsed salaries and supplemental appropriations to fund overtime expenditures.

We interviewed personnel from the MPD Chief Financial Officer and the Police Districts to determine whether performance based budgeting, i.e., historical analysis and projections based on anticipated needs, was used to determine overtime requirements within MPD. We found that prior to fiscal year 2001, the general process was to increase the prior year's overtime expenses for inflation and divide the arrived amount across the 26 pay periods. Currently, MPD supervisors identify actual overtime needs during the budget process and request related funding. Due to emerging issues and changing priorities, additional requests for overtime are identified by the District Commanders and related justifications and requests are sent through the Chiefs of Regional Operations Commands and to the Assistant Chief of Police and ultimately to the Chief of Police.

Monitoring

We found that MPD prepares one standard overtime report. We noted that for the most part, this report was prepared every pay period and identifies overtime hours charged by project/category code and the summary totals for each Police District and Regional Command Center. While we were told that the report is provided to the Assistant Chief of Police but not to the MPD managers, we found that the report is made available to all managerial staff via a shared drive on MPD's computer network. Managers can access the report, download it, and review it as needed. MPD CFO staff use the report to compile overtime information to answer requests and provide support for overtime expenditures. The report only depicts hours recorded, not payroll expenditures associated with overtime. Reports identifying compensatory time are generated only when a special request is made.

Knowing where, when, and under what circumstances overtime was incurred is necessary if managers are to anticipate overtime, to justify its payment, and perhaps find ways to reduce the need for overtime expenditures. Managers need to know how much has been spent throughout the current fiscal year and how the rate of expenditure compares with previous years. They should also examine current expenditures against likely future contingencies. Planning requires forecasting overtime needs based on analysis of past patterns.

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Court Liaison

The CLD staff informed us that several supervisory positions, among others, were understaffed or vacant. MPD's ability to monitor and manage court-related overtime has been impacted by insufficient staffing and the removal of the CLD from the courthouse. As a result, MPD has lessened its ability to monitor the numerous officers that come in and out of court each day.

Currently, supervisors are tasked with monitoring and supporting officers with court or court-related activities at the USAO, OCC, and Superior Court. Additionally, the division signs members in and out of court, reviews the PD Form 168 documents,⁷ and verifies the court worksheet PD Form 140 for completeness and accuracy. In response to the current situation at the CLD, MPD has hired positions that are deemed necessary to properly monitor court-related overtime.

When asked to identify areas in which cost savings could be achieved, CLD officials, USAO staff, and MPD officers stated that reductions in overtime could be achieved by improving controls over the scheduling of court-related activities such as witness conferences and court appearances or continuances. Specifically, we were told that many times when officers "check-in" to court for witness conferences with a prosecutor, prosecutors were not available to meet when scheduled. Other times the meetings were cancelled after the officer arrived to attend the meeting.

Based on discussions with all agencies involved, and results of past reports addressing this issue, we conclude that court overtime can be reduced through better trial scheduling by the District of Columbia Court System and further reduced through improved management and accountability of the MPD human and financial resources used by the USAO.

Phase III - Review of TACIS System

Our audit found that MPD lacked an adequate management information system for recording and analyzing overtime. Specifically, management did not have information readily available to determine trends that could be used to analyze, track and make management decisions. For example, supervisors had no knowledge of where, when, and under what circumstances overtime was incurred. MPD supervisors do have access to TACIS which would identify overtime earned by an officer for a given pay period. Additionally, they have access to reports that identify overtime hours charged to the various project/category codes. However, they were either unfamiliar with the reporting capabilities

⁷ PD Form 168 records MPD members court overtime identified on a computer automated notification system (CANS) notice.

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of the TACIS system, or were unable to compile data for an officer for a particular case or period of time. This deficiency was exacerbated by the lack of data, comprehensive policies, procedures, and guidelines for managing overtime.

Because overtime represents police work performed at premium rates – time and a half – managers need the ability to determine whether the same work could be performed at less cost at straight time. As such, they need to know how much of the work is being performed on overtime, what type of work it is, and the circumstances of its use.

MPD uses a manual process to review thousand of pieces of documentation during each pay cycle to verify overtime and compensatory time earnings for its employees. The TACIS administrator provides a printout to the payroll staff every pay period at which time they check the list for employees over established FLSA limits. With such manual monitoring, an employee exceeding the required limit would not be discovered immediately.

When the TACIS system was developed, it did not take into account the legal regulatory and contractual requirements it had pertaining to the FLSA. Additionally, Control Objectives for Information and Related Technology⁸ (COBIT) standards governing the risks and benefits associated with information and related technology require that computer systems be developed taking into account legal, regulatory, and contractual obligations. MPD is required to ensure that FLSA is monitored and paid according to statutory requirements. The lack of edits in TACIS is due to the fact that the TACIS project development team did not include in the system requirements the need to have application edits for monitoring FLSA obligations. Funding has not been available to upgrade the current system to include automatic alerts for FLSA limits.

RECOMMENDATIONS

We recommended that the MPD Chief of Police:

1. Develop procedures to monitor and manage overtime and compensatory time. Such procedures must include methods for collecting detailed data related to workload and hours worked. In addition procedures must provide for analyzing the data by comparing workload against regular, overtime, and compensatory time hours worked to determine where, when, and why overtime and compensatory time are being used and whether their use was justified. In instances that analysis shows overtime and compensatory time use is not critical to immediate accomplishment of MPD's mission, order the reduction of overtime and compensatory time.

⁸ COBIT is a group of generally applicable and accepted standards for good practice for information technology controls.

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2. Develop procedures that require the documentation of meetings and other collaborative efforts between the MPD and USAO and other efforts in which overtime or compensatory time was incurred to identify the work completed and related benefits.
3. Support enhancements to upgrade TACIS to include automatic alerts to help monitor required limits for compensatory time earned by employees.

MPD RESPONSE

In its response, MPD stated that it has taken and will continue to take steps to improve the management of overtime. Recent effort include the assignment of additional staff to the Court Liaison to monitor and control officers' time and activity at the courthouse, criminal case management improvements between the MPD, USAO, and Corporation Counsel that should reduce overtime. Additionally, MPD is currently upgrading the court overtime reporting mechanism that interfaces with TACIS that will also help to improve the monitoring of overtime. The full text of MPD's response is at Exhibits A and B respectively.

OIG COMMENT

The actions planned and taken by MPD should correct the conditions noted.

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Finding 2: Outside Employment of MPD Members

SYNOPSIS

Management controls and their implementation were insufficient to ensure that MPD members disclosed all outside employment (potential conflicts of interest), MPD recovered uniform maintenance costs from outside employers, and that MPD was protected from liabilities that might arise as a result of members' outside employment. Consequently, we were unable to quantify the number of employees engaged in outside employment, the hours of external employment, and whether such employment negatively affected the performance of a member. In addition, we were unable to assure MPD management that it had recovered all money due from outside employers for uniforms and equipment, and that MPD was adequately protected by liability insurance for police-related external employment. While management generally attributed the deficiencies to a lack of adequate staffing, we attributed the deficiencies to the need to strengthen written procedures, fully implement procedures, monitor compliance, and report periodically the extent of compliance to the Chief of Police.

DISCUSSION

We concluded from our analysis of criteria (procedures and policies) to control outside employment that the policies and procedures provided a good framework but did not require the necessary monitoring to ensure the procedures and policies were adequately implemented and followed to obtain the benefits intended by the controls. Our tests of outside employment for MPD members in our sample confirmed further the need to improve controls and monitoring over outside employment.

Analysis of Criteria for Outside Employment

MPD members are allowed to engage in employment outside of the MPD provided the members adhere to the policy and procedures set forth in General Order 201.17, "Outside Employment and Financial Statements." This Order, effective December 31, 1985, incorporates provisions of the Police Officers Outside Employment Act of 1982 and requires members to submit quarterly status reports on the number of planned hours and actual hours worked for an outside employer. The Order provides procedures that, if complied with:

- controls the authorizing and monitoring of outside employment;
- limits the liability of the MPD;

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- provides a means to monitor potential conflicts of interest and prohibited employment; and
- provides for outside employers to reimbursement MPD for uniform and equipment costs because of a member's outside employment.

The Order requires members to report timely all changes in outside employment, such as a change in employer or job title, to appropriate MPD officials. However, this Order places the burden on the individual member to request authorization for outside employment. Without such a request, the oversight controls envisioned by this Order remain inactive. We conclude that MPD presumes its members are not engaged in outside employment when they have not requested authorization.

We believe that all members should submit, periodically, a statement of their involvement in outside employment even when MPD has not authorized outside employment. Perhaps in the last quarter of each year, all personnel would submit that quarterly report, which would cover the whole year for those who were not authorized to engage in outside employment. The report should include a description of the extent, if any, of the members' involvement in police-related outside employment. By requiring negative reports in addition to the reports of actual outside employment and coupled with timely analysis and summary reporting to the Chief of Police, the Chief can be assured that all members are aware of requirements and have or have not complied with the Order. In addition, the report will provide assurance to the Chief of Police that appropriate insurance binders are in place to protect MPD and the member.

The quarterly reports are important because they provide the means to track the number of hours worked and ensure the uniform allowance is submitted. Police District officials are required to review the quarterly report to ensure compliance with the Order. MPD's Office of Human Services (OHS) receives the quarterly submissions from the Police Districts. OHS reviews and maintains copies of the reports and is required to suspend/terminate those who fail to submit reports.

Tests of Members Engaged in Outside Employment

We found that the same 23 members were among the top 50 overtime earners in each calendar year from 1999 to 2001. Of those members, 7 members, i.e., 31 percent ($7 \div 23$) engaged in outside employment according to documents available for review. We reviewed outside employment records for those individuals who had reported outside employment. We tested records for those members to quantify the number of hours worked within and outside MPD and to identify potential conflicts of interests and instances in which excessive hours may have contributed to the officers' inability to perform their duties in a satisfactory manner.

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Our tests indicated none of the members sampled consistently submitted the required PD Form 180 (*Quarterly Report of Outside Employment*) in fiscal years 2000 and 2001. Additionally, OHS did not suspend or withdraw approval for MPD members to work outside jobs. As a result, neither MPD officials nor the OIG was able to readily determine the number of officers who worked on outside employment jobs or their related hours. Furthermore, because members failed to submit the quarterly reports and/or proof of payment, there was no way to determine if the uniform allowance was submitted. From the quarterly reports that were submitted, there was no indication that a member engaged in outside employment while on duty at MPD.

We were informed that prior to the due date of the quarterly report, MPD sent reminder letters to the officers. However, MPD did not follow up when an officer failed to submit the required reports. Conversely, when the reports were submitted, an MPD official performed a review of the required quarterly report and ensured the uniform allowance had been submitted.

RECOMMENDATION 4.

We recommended that the Chief of Police, MPD, establish or revise written policy and procedures throughout each phase of the reporting and monitoring process over outside employment. Such procedures should, at a minimum, specifically identify and define the roles for collecting and reviewing the quarterly reports on outside employment (PD Form 180A), tracking the quarterly submissions, reporting delinquent filers, to ensure that personnel comply with outside employment and uniform allowance requirements. The new/revised procedures should also provide for periodic negative reports from all personnel as to the extent of outside employment.

MPD RESPONSE

In its response, MPD stated that it has taken and will continue to take steps to improve the management of overtime. However, MPD did not specifically address actions taken to strengthen controls in this area. The full text of MPD's response is at Exhibits A and B respectively.

OIG COMMENT

Since this issue has been brought to the attention of MPD officials, and they have agreed with the contents of our report, we believe that MPD will take action, as deemed necessary, to improve the reporting and monitoring process over outside employment. As such, we request that MPD provide the OIG with specific actions taken or planned to strengthen controls in this area. These comments should be provided to the OIG within 30 days of the issuance of this report.

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FINDING 3: TACIS SECURITY

SYNOPSIS

TACIS is not as secure from unauthorized users as it would be if internal controls complied with COBIT. MPD lacked strong internal controls to prevent unauthorized access to TACIS, and users may not have been trained in security. The TACIS administrator had not monitored and maintained user profiles in TACIS, which resulted in many users having more than one identification access code (ID) and IDs available for use by users who had retired. MPD generally lacked documentation to support that users were trained before or after receiving access to TACIS. We further attribute the weakness in security to a lack of written procedures for the maintenance of user profiles and insufficient management oversight. As a result, unauthorized access to the system could occur with the concurrent risk for the manipulation of data. In addition, inadequate user training limits the likelihood that the user will use TACIS as intended, which in turn limits how useful TACIS is in managing overtime.

DISCUSSION

MPD used TACIS to track the hours used by employees for regular work, leave, and court and non-court overtime. TACIS contains confidential personnel data and payroll information, which is necessary for processing MPD payrolls at the District of Columbia Office of Pay and Retirement.

COBIT requires that management establish procedures to ensure timely action relating to requesting, establishing, issuing, suspending, and closing of user accounts (user access). COBIT also requires that management train and educate personnel in system security principles. Our analyses of user access and training showed that MPD did not comply with Control Objectives for Information and Related Technology.

User Access

Our review showed 1,153 user access profiles (user IDs) in TACIS. However, 72 user IDs were unnecessary because users had one or more user IDs (43 user IDs) or had retired (29 user IDs), including 1 user who had retired as much as 19 months earlier.

The TACIS System Administrator informed us that he had not performed user ID maintenance since he took over the position two years ago (about May 1999). The System Administrator also could not provide us with written policies and procedures covering TACIS security maintenance.

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User Training

The MPD Payroll Office did not generally have documentation to identify training that had been provided for users with access to TACIS. Available documentation showed that 92 users had been trained in how to use TACIS, but not security matters, in a 13-month period. The Payroll Office could not demonstrate that all 1,081 active users had in fact received training. In addition, the MPD Payroll Office could not provide us with written controls and procedures pertaining to the training of users in security and in the use of TACIS.

Conclusion

The lack of written procedures and controls for access to TACIS and for training, especially in the area of security, pose a risk that a serious security breach could occur. The security breaches can come in the form of unauthorized users gaining access to the payroll system and changing or compromising data.

RECOMMENDATIONS

We recommended that the Chief of Police, MPD:

5. Develop written procedures to control access to TACIS and to ensure maintenance of TACIS user profiles, which include the immediate purge of users that retire and controls that prevent users from obtaining more than one user ID;
6. Develop written procedures and management controls to comply with COBIT that would ensure all persons with access to TACIS are trained in the use of TACIS and in TACIS security controls and that TACIS training provided to users is documented (dates/types of training) and maintained; and
7. Purge TACIS of unnecessary user IDs and those of users who have retired.

MPD RESPONSE

In its response, the CFO stated that MPD is currently upgrading the court overtime reporting mechanism that interfaces with the Time and Attendance Information System (TACIS) to improve the monitoring of overtime. Additionally, the OCFO has recently completed an audit of TACIS training, user ID's, and related security controls. The MPD will finalize Standard Operating Procedures by July 1, 2002, which address identified deficiencies. The complete text of both responses is included at Exhibits A and B respectively.

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OIG COMMENT

The actions planned and taken by MPD should correct the conditions noted.



GOVERNMENT OF THE DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT

March 15, 2002

Charles C. Maddox, Esq.
Inspector General
Office of the Inspector General
717 14th Street, N.W.
Washington, D.C. 20005

Dear Mr. Maddox:

Thank you for the opportunity to review your draft report summarizing the results of the Office of the Inspector General's Audit of Overtime within the Metropolitan Police Department (ODG N. 01-2-17FA).

I found that your report confirmed our assessment and your recommendations are basically in line with changes underway or being discussed. Your report once again points out how court overtime drives our expenditures, accounting for forty-nine percent of the overtime, and yet MPD's overall overtime expenditure is within the range of the agencies you surveyed. Another key finding was that overtime payments and compensatory time was adequately supported and properly calculated.

I also agree with your statement

... we believe that overtime should be viewed, within limits, as an unavoidable cost of policing. Overtime changes cannot be eliminated altogether, regardless of the number of police officers employed, because of inevitable shift extensions, court appearances, and unpredictable events. Concerns about overtime costs should be addressed through improved management techniques.

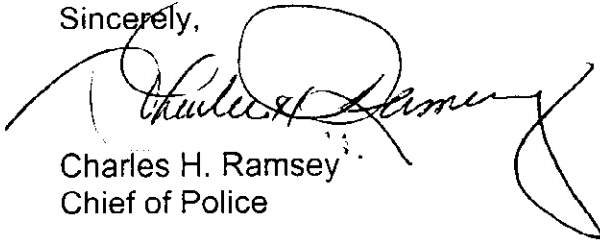
MPD has taken and will continue to take steps to improve the management of overtime. Let me give you just a few examples of our recent efforts.

1. I have assigned three sergeants to Court Liaison to monitor and control officers' time and activity at the courthouse.
2. Staff is working with TACIS contractors to develop reports that will help managers track court overtime usage.

3. MPD is working closely with USAO, Corporation Counsel, and the Courts to improve criminal case management and eventually reduce police officer overtime.

Your report will help us continue to make improvements in the management of overtime.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles H. Ramsey", with a large, stylized flourish extending from the end of the signature.

Charles H. Ramsey
Chief of Police